

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 20, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Ruben Barcelo

Applicant:	City of Chula Vista
Allocation Amount Requested:	Tax-exempt: \$21,400,000
Project Information:	Name: St. Regis Park Apartments Project Address: 1025 Broadway Project City, County, Zip Code: Chula Vista, San Diego, 91911
Project Sponsor Information:	Name: St. Regis Park CIC, LP (Pacific Southwest Community Development Corporation; and CIC St. Regis Park, LLC) Principals: Robert W. Liang for Pacific Southwest Community Development Corporation; and Cheri Hoffman for CIC St. Regis Park, LLC Property Management Company: CIC Management, Inc.
Project Financing Information:	Bond Counsel: Stradling, Yocca, Carlson & Rauth Private Placement Purchaser: Citibank, N.A. Cash Flow Permanent Bond: Not Applicable Public Sale: Not Applicable Underwriter: Not Applicable Credit Enhancement Provider: Not Applicable Rating: Not Applicable TEFRA Noticing Date: June 29, 2018 TEFRA Adoption Date: July 17, 2018
Description of Proposed Project:	State Ceiling Pool: General Total Number of Units: 119 Manager's Units: 1 Unrestricted Type: Acquisition and Rehabilitation Population Served: Family

St. Regis Park Apartments is an existing project located in Chula Vista on a 4.31-acre site. The project provides 118 restricted rental units and 1 unrestricted manager unit distributed as 5 one-bedroom units, 109 two-bedroom units and 5 three-bedroom units. Building exterior renovations will include roof replacement, new doors and windows, stucco siding repair, wrought iron handrail replacement and fresh paint. Interior renovations will include upgrades to the laundry facilities, leasing office and common restrooms. Individual apartment units will be updated with new appliances, countertops, cabinets, plumbing fixtures, flooring, doors, shelves, ADA-compliant tub enclosures and electrical updates. Site area renovations will include upgrades to landscaping, drainage, ADA path-of-travel, fencing, concrete and pavement repairs, parking area re-striping for ADA compliance, repairs to the swimming pool including ADA-compliant gate, and new signage and mailboxes. The work is scheduled to begin in April 2019 and be completed in December 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
20% (24 units) restricted to 50% or less of area median income households.
80% (94 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

The proposed project will not be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	39,504,971	
Estimated Hard Costs per Unit:	\$	54,512	(\$6,486,936 /119 units including mgr. units)
Estimated per Unit Cost:	\$	331,975	(\$39,504,971 /119 units including mgr. units)
Allocation per Unit:	\$	179,832	(\$21,400,000 /119 units including mgr. units)
Allocation per Restricted Rental Unit:	\$	181,356	(\$21,400,000 /118 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 21,400,000	\$ 10,479,100
LIH Tax Credit Equity	\$ 1,147,496	\$ 11,474,955
Deferred Developer Fee	\$ 0	\$ 1,935,830
Deferred Fees and Costs	\$ 4,472,389	\$ 0
Seller Carryback Loan	\$ 10,070,000	\$ 13,200,000
Net Income From Operations	\$ 698,935	\$ 698,935
City of Chula Vista Loan for Accrued Interest	\$ 1,275,778	\$ 1,275,778
Bond Performance Deposit Refund	\$ 100,000	\$ 100,000
Soft Loan Deferred Interest	\$ 340,373	\$ 340,373
Total Sources	\$ 39,504,971	\$ 39,504,971

Uses of Funds:	
Land Cost/Acquisition	\$ 22,401,550
Rehabilitation	\$ 6,746,708
Relocation	\$ 686,000
Contractor Overhead & Profit	\$ 629,430
Architectural Fees	\$ 15,036
Survey and Engineering	\$ 99,000
Construction Interest and Fees	\$ 2,402,207
Permanent Financing	\$ 22,500
Legal Fees	\$ 240,000
Reserves	\$ 332,026
Appraisal	\$ 10,250
Hard Cost Contingency	\$ 737,614
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 620,668
Developer Costs	\$ 4,561,982
Total Uses	\$ 39,504,971

Analyst Comments:

None

Legal Questionnaire:

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points:

62.7 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$21,400,000 in tax-exempt bond allocation.

ATTACHMENT A

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	30
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Large Family Units	5	5	0
Leveraging	10	10	3.7
Community Revitalization Area	5	5	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	4
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	62.7